

STATE OF LOUISIANA
LOUISIANA STATE UNIVERSITY HEALTH SYSTEM
HEALTH CARE SERVICES DIVISION

REQUEST
FOR PROPOSALS

FOR

THIRD PARTY ADMINISTRATION SERVICES
RELATIVE TO THE SYSTEM OF INPATIENT HOSPITAL AND EMERGENCY HEALTH
SERVICES FOR STATE AND PARISH OFFENDERS IN THE BATON ROUGE REGION

SOLICITATION # 50010-HCSD-1202

DATE: JUNE 11, 2012

PROPOSAL DUE: JULY 27, 2012 4PM CDT

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1. General Information

1.1. Purpose

The purpose of this RFP is to solicit proposals for the services of a Third Party Administrator (TPA) to assist in the operation of the new system of hospital care for offenders and non-adjudicated individuals (hereafter, “offenders”) in the custody of the Louisiana Department of Corrections (DOC) facilities or in parish or city jails, prisons, Office of Juvenile Justice detention centers, and the Feliciana Forensic Facility in the Department of Health and Hospitals (DHH) effective with the anticipated closure of Earl K. Long Medical Center (EKL) in late 2013.

Through a separate RFP, the services of an acute care hospital are being solicited to replace the inpatient and emergency services of the LSU Health-Health Care Services Division (HCSD)’s hospital in Baton Rouge, LA, Earl K. Long Regional Medical Center (EKL).¹

The principal functions of the TPA will be to (1) process and pay claims from a Contract Hospital and associated physicians and other providers for hospital and related care and (2) to provide Utilization Review services, including prospective, concurrent and retrospective review for medical necessity. Services to be provided by the Contractor are described in **Section 7 - Scope of Work**. Attachment 1 outlines the structure and functioning of the larger system of inpatient care for offenders as envisioned at this time and provides an overview of the context in which the work under the TPA contract will occur.

1.2. Background

With the closure of the LSU Health-HCSD Health’s Earl K. Long Medical Center (EKL), anticipated in late 2013, LSU Graduate Medical Education programs and faculty will move to our Lady of the Lake Regional Medical Center (LOL). Most patients who previously would have been admitted to EKL will be admitted instead to LOL.

LOL, however, will not routinely provide services to offenders, which necessitates that the State make arrangements for hospital care to individuals in the custody of state and local correctional facilities.

In addition, since LOL does not provide obstetric services, a separate agreement to host OB residency programs and faculty previously at EKL is in place with Women’s Hospital in Baton Rouge and has resulted in the transfer of these programs. Women’s Hospital also will provide the very limited OB services required by offenders.

¹ The hospital RFP is available in electronic form on the State of Louisiana Office of State Purchasing (LaPAC) website at: <http://wwwsrch2.doa.louisiana.gov/osp/LaPAC/pubmain.asp> in PDF format. To access the RFP on LaPAC, search by Solicitation Number # 50010-HCSD-1202.

In approving the 2010 Cooperative Endeavor Agreement between LSU and OLOL that would close Earl K. Long Medical Center, a commitment was made by the State to provide funding to purchase the needed offender hospital care now provided by EKL. Final approval of the CEA was voted by the Joint Budget Committee of the Louisiana Legislature on March 19, 2010.

1.2.1 Role of the LSU Health-HCSD Hospitals

Louisiana's traditional approach to providing health services to offenders has relied heavily upon the statewide public hospital and clinic system operated by Louisiana State University. The State created and LSU operates this system of ten facilities principally as a safety net for the uninsured and as sites for the clinical training of physicians and other health professionals. Any Louisiana citizen is eligible to receive care in any LSU Health hospital.

By law, the LSU Health-HCSD hospitals and clinics serve offenders housed in either state or local correctional facilities. In the Baton Rouge area, offenders come from facilities operated either by the Department of Corrections (DOC), Parish or Local Correctional Entities (PLCE), the Office of Juvenile Justice (OJJ), or the Feliciana Forensic Facility.

State correctional facilities are obligated to use these facilities when required services are available. Funding for both state and local offender health services in the LSU Health-HCSD hospitals has been appropriated by the Louisiana Legislature directly to the hospitals and not to the Department of Corrections (DOC) or to other agencies or officials. The LSU Health-HCSD hospitals do not bill other agencies for services to offenders and virtually no funds for offender care pass between LSU and the Department of Corrections, local sheriffs or any other entity responsible for housing offenders.

Facilities with custody (herein, the "Sending Facility"), transport offenders to and from any of the LSU Health-HCSD facilities that are staffed to provide the needed health services, including clinic visits, ancillary services, and emergency care. An inpatient admission may occur subsequent to an emergency visit, or in some cases offenders may be admitted directly. The Sending Facility is required to supply security personnel, and inpatients from facilities in the Baton Rouge region are admitted primarily to a secure ward at EKL. DOC and other Sending Facilities provide security for their respective offenders while in the hospital.

LSU Health-HCSD and EKL have policies and procedures, developed and amended with input from the Department of Corrections, that govern access to services in the hospitals, clinics and ancillary departments. LSU Health-HCSD and DOC maintain continuous liaison regarding issues associated with offender care. In general, policies, procedures and management initiatives in both agencies focus on managing the flow of offenders from correctional agencies to the LSU Health-HCSD hospitals with an emphasis on delivering appropriate care, controlling costs to all parties by assuring that services in a hospital or specialty clinic setting are warranted, and providing security that protects public safety.

1.2.2 Inpatient Volume at EKL

Because of its proximity to a relatively large number of state prisons, EKL delivers a disproportionate volume of offender care within the LSU Health-HCSD system. Among the seven LSU Health-HCSD hospitals in the southern part of the state, over 75 percent of the charges associated with offender care within the LSU Health-HCSD hospitals are incurred at Earl K. Long.

In FY 11, there were **572 offender admissions** at Earl K. Long, generating 2,506 patient days and resulting in an average offender census of 6.9 days. The Average Length of Stay of offenders was 4.5 days.

In recent years, over 70 percent of inpatient offender admissions were of state offenders housed in state prison facilities. Another 5 percent were state offenders housed in parish jails. Approximately 20 percent of admissions were of parish or local offenders housed in parish or local jails. The remaining 3 percent consisted of residents of DHH facilities or residents in Office of Juvenile Justice facilities.

There were approximately **2,200 Emergency Department visits** by offenders and 4,200 clinic visits at EKL in FY 11. Emergency visits, but not clinic visits, will be a responsibility of a Contract Hospital. It is possible that the ratio of emergency to clinic visits will be affected by the redesign of the offender care system associated with the closure of EKL. At EKL, approximately 25 percent of the emergency visits by all categories of offenders resulted in an inpatient admission. DOC statistics indicate that over two-thirds of admissions of offenders in their custody originate in the Emergency Department.

Attachment 4 lists EKL inpatient admissions of offenders by DRG category.

1.2.3 Health Services for Offenders After the Closure of EKL

Major elements of the existing offender care system will remain intact even after the closure of the Earl K. Long Medical Center facility. Barring a change in state law and contingent upon legislative appropriations, the LSU Health-HCSD Hospitals will continue as the core system for delivery of health services outside correctional facilities to offenders in Louisiana.

1.2.3.1 Outpatient Care

In the Baton Rouge region following the closure of the EKL inpatient facility, the extensive outpatient clinics of EKL will continue operation. Clinics on the EKL campus will be relocated to other sites, and the existing offsite clinics will be expanded. The clinics include: the North Baton Rouge Clinic (which will add an Urgent Care Center at the Airline Highway location prior to the closure of EKL); the Ambulatory Surgical Facility on Perkins Road, which also is the site of clinics; the Mid-City Clinic on North Foster; and the Leo Butler Clinic on Washington Ave.

Health care services for offenders in these clinics will remain an LSU Health-HCSD responsibility. LSU Health-HCSD, DOC and other correctional entities will continue to work together to minimize the cost and increase the efficiency of the total set of outpatient services without compromising the access of offenders to appropriate care. These efforts may result in some reduction in the need for inpatient care, but any reduction will probably be minimal given the acute nature of the conditions that result in admission of offenders.

1.2.3.2 Hospital Care

Following the closure of Earl K. Long, it is expected that hospital care to offenders in the Baton Rouge region will be provided in a combination of settings.

1.2.3.2.1 *A community hospital under contract to LSU Health-HCSD for inpatient and emergency care.* The Contract Hospital will be selected pursuant to a separate RFP. To replace Earl K. Long's inpatient care for offenders, the state will require inpatient capacity in a secure unit or units in a licensed Louisiana hospital in the Baton Rouge region. It is anticipated that the Contract Hospital will provide the core inpatient services to the offender population of the Baton Rouge area, but that two additional settings discussed below would provide overflow capacity, possibly some subspecialty care, and skilled nursing care that would assist in managing the inpatient population in an efficient manner.

1.2.3.2.2 *LSU hospitals outside the Baton Rouge region.* The LSU Health hospitals will remain committed to providing health care services to the offender population. In general and to extent that needed services are available, these hospitals can provide inpatient care that cannot be provided in a Contract Hospital. The Interim LSU Health-HCSD Hospital in New Orleans currently provides services to offenders from the Baton Rouge region that are not available at EKL. Other LSU Health-HCSD facilities in the southern part of the state provide limited inpatient prisoner care. University Medical Center (UMC) in Lafayette and Lallie Kemp Medical Center in Independence are closest to Baton Rouge, but neither currently has a secure inpatient detention ward.

1.2.3.2.3 *The DOC skilled nursing facility at Hunt Correctional in St. Gabriel.* The Hunt facility, built to hospital specifications, has recently opened as a skilled nursing facility. It has a capacity of 40 beds but is funded to operate 20 beds in the current fiscal year. Up to the limits of capacity and funding, this facility will be able to accept DOC offender patients from a Contract Hospital who do not require

acute inpatient care but who are not ready to return to the DOC facility where they are housed. It is anticipated that the Hunt facility will be utilized to conserve resources by helping manage the length of inpatient stays.

- 1.2.3.2.4 The process through which patients flow into these settings is to be determined as the redesign of offender care is completed prior to the closure of EKL. It is also possible that services not available in any of these settings will be purchased elsewhere by DOC or other correctional entities.

1.2.4 Role of Third Party Administrator

A TPA will assist LSU Health-HCSD in the administration of inpatient and emergency offender care in the Baton Rouge region that occurs within the Contract Hospital. The TPA will contract with LSU Health-HCSD but will be required to coordinate as appropriate with the Department of Corrections and other correctional entities in the region.

2. Administrative Information

2.1 Definition of Terms

Baton Rouge Region	Consists of the parishes of: Ascension, East Baton Rouge, West Baton Rouge, East Feliciana, Iberville, Livingston, Point Coupee, West Baton Rouge and West Feliciana
Department of Corrections (DOC)	Refers to the agency that manages state prisons, from which the predominate share of offenders will come to a contracted hospital. Any reference in this RFP to “the Department” refers to DOC.
CO	Correctional Officer
Feliciania Forensic Facility (FFF)	The Department of Health and Hospital facility for individuals incompetent to stand trial, those determined to be unrestorable, and those who are not guilty by reason of insanity. Although not a “correctional” facility, individuals in the Feliciania Forensic Facility will be covered by any hospital contract for offender care and are, for convenience, included in any reference to offenders. FFF may be a “Sending Facility,” as referred to in this RFP.
Contractor	Any person having a contract with a governmental body.
Health Care Services Division (HCSD)	The unit within LSU Health responsible for management of the seven state public hospitals in Southern Louisiana, including Earl K. Long Medical Center.
Office of Juvenile Justice (OJJ)	The Louisiana state agency that has policy oversight and support responsibilities for state programs for youth who are adjudicated delinquent. OJJ is responsible for youth assigned to its care by the court system, either for supervision or custody in residential placement, or secure care.
Parish and Local	Refers to any of a number of parish or local jails, any of which

Correctional Entities (LPCE)	may utilize the services of the contracted hospitals under the terms of this RFP and any resultant contract. These will be exclusively or predominantly located within the Baton Rouge Region.
May	The term “may” denotes an advisory or permissible action.
Must	The term “must” denotes mandatory requirements.
Offenders	Any individual residing in, or participating in a program (such as a Work Release Program), under a DOC, LPCE, or OJJ facility, or in the Feliciana Forensic Facility.
Oral Discussions	For the purposes of this RFP, a formal, structured means of conducting written or oral communications/presentations with responsible Proposers who submit proposals in response to this RFP.
Secretary	Refers to the Secretary, Louisiana Department of Corrections
Sending Facility	Any facility eligible to transport patients to the Contract Hospital for care under contract with LSU Health-HCSD. Includes all LPCEs, OJJ facilities and Feliciana Forensic Facility. Eligible Sending Facilities will be stipulated in any contract pursuant to this RFP or amendment thereto.
Shall	The term “shall” denotes mandatory requirements per R. S. 39:1556(21).
Should	The term “should” denotes desirable action.
State	The State of Louisiana

2.2 Proposer Inquiries and RFP Coordinator

Requests for copies of the RFP and written questions must be directed to the RFP Coordinator listed below.

Chris O'Neill, RFP Coordinator
Contracts Office
Interim LSU Public Hospital
2021 Perdido Street
New Orleans, LA 70112
Email: coneil@lsuhsc.edu

LSU Health-HCSD will consider written Proposer inquiries regarding RFP requirements before and up to the date specified in the Calendar of Events. LSU Health-HCSD reserves the right to modify the RFP should a change be identified that is in the best interest of LSU Health-HCSD.

To be considered, written inquiries and requests for clarification of the content of this RFP must be received at the above postal or email address by **July 9, 2012**. All questions directed to the RFP Coordinator will be deemed to require an official response. Official responses to each of the questions presented by the Proposers will be posted as addenda by **July 16, 2012** on the State of Louisiana Procurement and Contract Network (LaPAC) at <http://wwwprd.doa.louisiana.gov/osp/lapac/pubmain.asp> and issued to all vendors on the vendor list.

2.3 Availability of RFP

This RFP is being sent to all TPA's listed on the State of Louisiana Office of Contractual Review's pre-qualified offerors list. It also is available in electronic form on the State of Louisiana Office of State Purchasing (LaPAC) website at: <http://wwwsrch2.doa.louisiana.gov/osp/LaPAC/pubmain.asp> in PDF format. To access the RFP on LaPAC, search by Solicitation Number #50010-HCSD-1202.²

2.4 Submission of Proposal

- 2.4.1 LSU Health-HCSD invites Proposers interested in providing TPA services, as described in this RFP, to deliver ten (10) copies of their proposal by no later than **July 27, 2012, 4 PM CDT** to the address shown for the RFP Coordinator in Section 2.2.
- 2.4.2 At least one copy of the proposal must contain original signatures; that copy should be clearly marked or differentiated from the other copies of the proposal.
- 2.4.3 Proposer shall be solely responsible for ensuring that its courier service provider makes inside deliveries to the address of the RFP Coordinator. LSU Health-HCSD shall not be responsible for any delays caused by the Proposer's chosen means of proposal delivery. **Proposals will not be accepted by fax or email.**

2.5 Written Proposer Questions

- 2.5.1 Following a period for all interested Proposers to perform a detailed review of the RFP documents and to participate in a Mandatory Pre-Proposal Conference, LSU Health-HCSD will accept written questions relative to the RFP from an authorized representative of the Proposer. Without exception, all questions must be submitted in writing, by fax or by email to the RFP Coordinator and be received by 4 PM CDT on the deadline for receiving inquiries set forth in the Calendar of Events.
- 2.5.2 No negotiations, decisions, or actions shall be executed by any Proposer as a result of any oral discussions with any state or University employee. LSU Health-HCSD shall only consider written and timely communications from Proposers.
- 2.5.3 Questions must be clearly cross-referenced to the relevant section of the RFP.

² LaPAC is the state's online electronic bid posting and notification system resident on the State Purchasing website [www.doa.Louisiana.gov/osp] and is available for vendor self-enrollment. In that LaPAC provides an immediate e-mail notification to subscribing Proposers/bidders that an RFP (Solicitation) and any subsequent addenda have been let and posted, notice and receipt thereof is considered formally given as of their respective dates of posting.

- 2.5.4 Answers to all questions and any other changes to or clarifications of the solicitation shall be issued by addendum and provided to all prospective Proposers. "Prospective Proposers" shall be defined as those represented at the Mandatory Pre-Proposal Conference.

2.6 Mandatory Pre-Proposal Conference.

A mandatory Pre-Proposal Conference will be held on **June 29, 2012 at 1:30 PM CDT at the EKL North Baton Rouge Clinic, 5439 Airline Highway, Baton Rouge 70805**. Proposals will not be accepted from any entity not represented at the Conference. Updates, addenda to the RFP, answers to written questions and other clarifying information that LSU may provide will be distributed only to entities in attendance at the Conference.

2.7 Term of Contract

The term of any resultant Contract from this RFP shall commence on a date to be established that is associated with the closure of Earl K. Long Medical Center, expected to occur in late 2013. Any contract entered into as a result of this RFP shall not exceed 36 months.

2.8 Contract Negotiation

- 2.8.1 The selected Proposer will be issued a notice of intent to award a contract, at which time contract negotiations will begin. LSU Health-HCSD reserves the right to reject a Proposer if it appears a contract cannot be effected and to select a second Proposer.
- 2.8.2 LSU Health-HCSD intends to negotiate a contract that, in its judgment, offers the best value to the State in providing TPA services for the offender care system described herein based on the Proposer selection criteria set forth herein. This should not be interpreted as a guarantee that a contract will result from the Proposal evaluation process.
- 2.8.3 LSU Health-HCSD reserves the right to reject any and all Proposals. Should the process reach the stage of contract negotiation, LSU Health-HCSD reserves the right to request additional information from the successful Proposer and/or negotiate clarification to the Proposer's Proposal. LSU Health-HCSD will not reimburse a successful Proposer for any costs incurred during contract negotiation. If the Contract negotiation period exceeds 30 days from the Notice of Intent to Award or if the selected Proposer fails to sign the final Contract within 5 business days of delivery of the final negotiated Contract, LSU Health-HCSD may elect to cancel the award and award the Contract to the next-highest-ranked Proposer.

2.9 Code of Governmental Ethics

Proposers are responsible for determining that there will be no conflict or violation of the Louisiana Code of Governmental Ethics, La. R.S. 42:1101, et seq., if their company is awarded the Contract. Ethics issues are interpreted by the Louisiana Board of Ethics.

2.10 General Contract Terms and Conditions

The successful Proposer must agree to the minimum terms and conditions specified in Attachment 3 that will be incorporated into the final contract. While the exact wording of these terms may be altered during contract negotiation, the intent of each provision will not. Any provision the intent of which the Proposer is unwilling to commit to should be explicitly identified in its Proposal along with the reason for the objection. Alternative wording to any objectionable provisions should be provided. Acceptance of that alternative shall rest solely with LSU Health-HCSD.

2.11 Insurance

The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors, as specified in Attachment 8.

2.12 Confidentiality of Information

All financial, statistical, personal, technical and other data and information relating to the operations of the State or any of its agencies or political subdivisions (hereafter in this section, "Public Entities") which are designated confidential by the Public Entities and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the Public Entities. The identification of all such confidential data and information as well as the Public Entities' procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the Public Entities in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the Public Entities to be adequate for the protection of the Public Entities' confidential information, such methods and procedures may be used, with the written consent of the Public Entities, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

Under no circumstances shall the contractor discuss and/or release information to the media concerning this project without prior express written approval of the State.

2.13 Right To Protest

Any person aggrieved in connection with (i) the solicitation or the specifications contained therein; or (ii) the contract award, has the right to protest in accordance with Louisiana Administrative Code Title 34, Part V, Subchapter B, Section 145. Such protest shall be made in writing to the RFP Coordinator (i) for a solicitation, at least fourteen days prior to the deadline for submitting proposals and (ii) for a contract award, within fourteen days after the award has been announced by LSU Health-HCSD. The protest shall state fully the reason(s) for the protest.

2.14 Oral Presentations

Proposers may be required to make oral presentations of their Proposals prior to the selection of the Contractor, at LSU Health-HCSD's option. The purpose of the Oral Presentations shall be to allow LSU Health-HCSD the opportunity to review operational issues with Proposers, including how proposed subcontractors may work together.

3. Calendar of Events

RFP distributed	Monday, June 11, 2012
Mandatory Proposers Conference	Friday, June 29, 2012, 1:30 PM CDT
Deadline to Receive Written Questions	Tuesday, July 9, 4 PM CDT
Replies to Questions Distributed	Monday, July 16, 2012
Deadline to Submit Proposals	Friday, July 27, 2012 – 4 PM CDT
Oral Presentations (at LSU Health-HCSD's option)	To Be Announced
Notice of Intent to Award and Begin Negotiation Period	Friday, August 10, 2012
Estimated Initiation of Services to Offenders Under the Contract	TBD
Estimated Initiation of Services to Offenders Under the Contract	TBD

4. Qualifications

4.1 Minimum Qualification Requirements

- 4.1.1 To be eligible to submit a proposal under this RFP, the proposer must meet all legal requirements for doing business in the State of Louisiana. The proposer must provide a copy of its administrator's license issued by the Insurance Commissioner for the State of Louisiana. For purposes of providing the utilization management services, the proposer shall have accreditation from the Utilization Review Accreditation Commission, "URAC." and provide proof of such to LSU Health-HCSD.

- 4.1.2 The Proposer shall affirm and agree that it complies with the federal statutes and regulations concerning persons who are listed on the Excluded Parties List System maintained by the General Administration, or excluded from receiving payment from federal government programs by the Department of Health and Human Services, Office of Inspector General.
- 4.1.3 The Proposer shall disclose any apparent or potential conflict of interest or affirm that it has none. The Proposer shall have no interest, direct or indirect, that could be perceived to conflict in any manner or degree with the performance of any service required under this contract. The Proposer shall not engage in any conduct that violates or induces others to violate provisions of the Louisiana Statutes regarding the conduct of public employees.

4.2 Desirable Qualifications

- 4.2.1 The Proposer should demonstrate financial stability by providing LSU Health-HCSD with copies of audited financial statements for the Proposer's three (3) fiscal years immediately preceding the deadline for receipt of proposals. LSU Health-HCSD shall exercise its sole unrestricted discretion in evaluating the financial information. If the Proposer is a wholly owned subsidiary of a parent organization, this requirement may be fulfilled by the audited financial statement of the parent organization, provided that the parent organization shall agree to have the same legal and financial responsibilities under the contract as the Proposer.
- 4.2.2 The Proposer and/or its subcontractors should demonstrate experience in administering health claim processing services (including national fee schedules), and Utilization Review (prospective, concurrent and retrospective review services) for a minimum of three (3) years preceding the deadline for receipt of proposals, including its claims volume for the previous three years. NOTE: The Proposer should not include a plan offered to any of its employees or employees of affiliated companies to satisfy this experience.
- 4.2.3 The Proposer should provide contact names of at least three (3) non-affiliated clients, including:
- Addresses
 - Telephone numbers
 - Email addresses
 - Fax numbers
 - Types of services provided
 - The number of participants
- 4.2.4 It is desirable that the Proposer not be involved in litigation. Unless prohibited by securities laws, the Proposer should disclose any lawsuits

and litigation involving alleged or actual violations of administrative rules and hearings, or any lawsuits and litigation threatened or impending, involving itself and the State of Louisiana (or any other state) or any of its political subdivisions, and/or any state officer and/or any state employee acting in the capacity of a state employee, and any settlements, compromises (if confidential, a statement of that fact) or Judgments of Record resulting from the foregoing described litigation or administrative proceedings for the past five (5) years or affirm there are none.

- 4.2.5 The Proposer should list and disclose any contract cancellations or any causes of action that arose from work performed that is the same or similar to work identified in the Scope of Services in this RFP that was initiated by persons or entities against the Proposer and resulted in a settlement with or judgment against the Proposer in any jurisdiction in the United States in an amount of One Hundred Thousand Dollars (\$100,000.00) or more within the previous five (5) years, or affirm there are none.
- 4.2.6 It is desirable that the Proposer not have had any security breaches. The Proposer should disclose any data security breaches and specifically HIPAA security breaches.

5. Proposal Evaluation Criteria

- 5.1 Award shall be made to the responsible Proposer whose proposal is determined in writing to be the most advantageous to LSU Health-HCSD based upon the evaluation criteria listed below in order of importance:
 - 5.1.1 Proposer's ability, approach and capacity to provide all services as outlined in Section 7 - Scope of Work **(30 points; 15 each for claims processing and Utilization Review)**.
 - 5.1.2 Proposer's related experience with similar projects, company background and personnel qualifications **(30 points; 15 each for claims processing and Utilization Review)**.
 - 5.1.3 Price Proposal as specified in Section 6.2.4 **(40 Points)**
 - 5.1.4 Veteran-Owned and Service-Connected disabled Veteran-Owned Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs participation – (10 points) – 10% of the total evaluation points are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurship as contractors.

Proposals will be evaluated by an Evaluation Team consisting of individuals from both LSU Health-HCSD and the Department of Corrections.

6. Proposal Requirements

6.1 Compliance with Terms of the RFP

Other than what is specified as a Minimum Requirement, certain conditions may preclude the Proposer from meeting each and every detail specified in this RFP. It is also foreseeable that the Proposer may have a better method of accomplishing the requirements of the RFP. The Proposer should outline in its response how the Proposer would accomplish LSU Health-HCSD's requirements as stated and then outline alternative ways of doing business offered by the Proposer and alternative pricing, if applicable. Minimum Requirements defined in this RFP are not negotiable.

Any alternative method or exceptions to terms, conditions or other requirements in any part of the RFP should be described in the appropriate section of the proposal. Otherwise, LSU Health-HCSD shall consider that all items offered are in strict compliance with the RFP, and the Proposer shall be responsible for compliance. LSU Health-HCSD shall specify at the time of the awarding of the contract what, if any, optional, alternative methods are accepted.

Notwithstanding anything to the contrary herein, any and all decisions as to suitability, competency, ability to perform, conflicts of interest or the appearance thereof, responsiveness of the TPA's proposal, acceptability of such proposal, or other decisions of qualifications with performance, shall be at the discretion of LSU Health-HCSD.

6.2 Proposal Format

Proposals should consist of the following sections:

Section I.	Transmittal Letter
Section II	Approach, Ability and Capacity to Perform the Scope of Work
Section III	Proposer Qualifications and Experience
Section IV	Price Proposal

Proposal sections should be submitted in the order above and numbered accordingly.

6.2.1 Section I. Transmittal Letter

The Transmittal Letter should include the following information:

- Name of Proposer

- A statement that the proposal is valid from 120 days from the proposal due date
- Name and signature of the person authorized to enter the Proposer into a binding agreement with the Department.
- Identification of any subcontracting entities, including the scope of work to be performed and a statement signed by each subcontractor stating willingness to enter into a subcontract with the Proposer upon contract award.

6.2.2 Section II. Approach, Ability and Capacity to Perform the Scope of Work

The Proposer should detail its approach, resources, systems and plan for each requirement in Sections 7.1 - 7.3 of the RFP, including specifically but not limited to the items listed below. The identity and role of any subcontractors should be clearly specified.

6.2.2.1 Claims Processing (see Section 7.1)

- 6.2.2.1.1 Describe the system to be utilized for paying claims on a DRG basis, including DRG outlier provisions and grouper methodology.
- 6.2.2.1.2 Describe proposed pre-certification verification process for inpatient and diagnostic imaging.
- 6.2.2.1.3 Describe process of conducting Coordination of Benefits. (Note that Medicaid is the only third party that will reimburse for prisoner care (inpatient only). In the past year, 59 prisoner admissions to EKL were paid by Medicaid, and this number could increase substantially in the future depending on state and federal actions.)
- 6.2.2.1.4 Describe capacity to accept electronic claims submission
- 6.2.2.1.5 Describe your average turnaround time for claims processing. Provide a sample backlog/claims inventory report.
- 6.2.2.1.6 Provide a flow chart of how a claim flows through your organization, from receipt (electronic and mail) to EOB/payment/denial.
- 6.2.2.1.7 Describe your backup system with respect to timely claims processing.
- 6.2.2.1.8 Describe how you measure performance quality in claims processing. Fully describe your Quality Assurance process.

- 6.2.2.1.9 Identify the average delay between the caller requesting connection to a company representative and contact with a company representative.
- 6.2.2.1.10 Indicate whether the process that would be utilized for transfers of funds between LSU Health-HCSD and the Claims Administrator, described in Attachment 7 is acceptable. If not, describe what changes are proposed.
- 6.2.2.2 Utilization Review, including prospective, concurrent and retrospective review; and discharge planning (see Section 7.2)
 - 6.2.2.2.1 Describe the processes and standards that the Proposer would employ to conduct prospective, concurrent and retrospective review. Identify any variations from the Proposer's typical processes that it recommends for the offender care system described in this RFP
 - 6.2.2.2.2 Describe the authorities or empirical standards upon which the Proposer's rules for medical necessity are based.
 - 6.2.2.2.3 Describe how the Proposer proposes to participate in Discharge Planning.
 - 6.2.2.2.4 Describe the ability of the Proposer to adjust its definitions and processes as may be necessary and in consultation with LSU Health-HCSD.
- 6.2.2.3 Medicaid Reconciliation and Recoupment

Describe the processes that the Proposer anticipates to perform this function.
- 6.2.2.4 Administrative and Other Functions
 - 6.2.2.4.1 Customer Service (see Section 7.3.1)
 - 6.2.2.4.1.1 "Customers" will be considered to consist of the Contract Hospital, the Sending Facilities, and LSU Health-HCSD.
 - 6.2.2.4.1.2 Describe the Customer Services system that the Proposer proposes to apply.
 - 6.2.2.4.2 Plan Documents (see Section 7.3.2)

Indicate whether the work requirements described in Section 7.3.2 Plan Documents are clear and acceptable. Describe any issues with this item.

6.2.2.4.3 Eligibility Determination (see Section 7.3.3)

Indicate whether the work requirements described in Section 7.3.3 Eligibility Determination are clear and acceptable. Describe any issues with this item.

6.2.2.4.4 Reporting (see Section 7.3.4)

6.1.2.3.4.1 Indicate whether required reports can be provided.

6.1.2.3.4.2 Describe any additional or standard reports and information that the TPA proposes to supply.

6.2.3 Section III. Proposer Qualifications and Experience

6.2.3.1 Fully describe proposer's experience in providing services similar to those required in the RFP.

6.2.3.2 Specify the Proposer's location; ownership; organization noting major divisions and any parent/holding companies; size and services; staffing; and a brief history of the firm.

6.2.3.3 Identify principal personnel potentially to be involved in the work under this RFP.

6.2.3.4 Provide service volume statistics pertaining to claims payment and Utilization Review for the most recent three fiscal years.

6.2.3.5 Address each of the Minimum and Desirable Qualifications specified in Section 4.

6.2.3.6 Indicate whether proposer is able and willing to accept and comply with the General Contract Terms and Conditions specified in Attachment 2.

6.2.4 Section IV. Price Proposal

Proposers will be reimbursed based upon one of two methodologies depending upon the facility in which offenders are housed. Some facilities, the DOC prisons especially, are relatively large and have utilized Earl K. Long for most health services not provided in the facility itself. In these cases, there is a reasonably stable historical record of utilization that makes it feasible to price Claims Processing and Payment/Medicaid Reconciliation and Recoupment and Utilization Review Services on a Per Offender Per Month (POPM) basis. These POPM prices shall be all-inclusive and shall be firm for three years.

There are other correctional entities that either (1) have a relatively small capacity and/or utilize few EKL hospital services, or, (2) even when large, have a history of low utilization of EKL hospital services that would be appropriate to a Contract Hospital. In the case of offenders from these mainly parish and local facilities, the TPA will be paid on a unit basis:

- Per claim rates for (1) Claims Processing, Payment and Associated Administrative Services; and (2) for Payment Recovery of claims as a result of Medicaid Reconciliation and Recoupment and any other Third Party recovery process,
- A per admission rate for Utilization Review services.

Consequently, TPAs shall propose, according to the format in Attachment 9 (1) separate POPM rates for Claims Processing/Payment and for Utilization Review **and** (2) unit cost rates for Claims Processing, Payment and Associated Services, for Medicaid and Other Third Party Reconciliation and Recoupment , and for Utilization Review, respectively.

Attachment 3 shows the capacity and census of the state and local correctional facilities in the Baton Rouge Region, as of December 2011.

6.2.5 Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation **(10 points)**

Each Proposer should address how the firm will meet the following:

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurships (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the state. A certified Veteran-Owned and Service-Connected Disabled Veteran-Owned small entrepreneurship (LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) small entrepreneurship are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at https://smallbiz.louisianaforward.com/index_2.asp.

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurships may be obtained from the Louisiana Economic Development Certification System at https://smallbiz.louisianaforward.com/index_2.asp. Additionally, a list of Hudson and Veteran Initiative small entrepreneurships, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal https://lagoverpvendor.doa.louisiana.gov/iri/portal/anonymous?guest_user=self_registration may be accessed from the State of Louisiana Procurement and Contract (LaPAC) Network

<http://wwwprd.doa.louisiana.gov/osp/lapac/vendor/srchven.asp>. When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select SmallE, VSE, or DVSE.

If a proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), proposer shall include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

The statutes (R.S 39:2171 *et. seq.*) concerning the Veteran Initiative may be viewed at <http://www.legis.state.la.us/lss/lss.asp?doc=671504>; and the statutes (R.S 39:2001 *et. seq.*) concerning the Hudson Initiative may be viewed at <http://www.legis.state.la.us/lss/lss.asp?doc=96265>. The rules for the Veteran Initiative (LAC 19: VII. Chapters 11 and 15) and for the Hudson Initiative (LAC 19:VIII Chapters 11 and 13) may be viewed at <http://www.doa.louisiana.gov/osp/se/se.htm>.

6.3 Authority

The person signing the proposal must warrant that he or she is authorized to sign on behalf of the Proposer.

6.4 Withdrawal of Proposal

Once submitted, proposals shall not be altered or amended by the Proposer. If subsequent to delivery, a Proposer discovers a major error in its Proposal, concludes it will be unable to comply with the requirements of this RFP, or is unable to sustain the representations and commitments made in its Proposal, the Proposer must verbally notify the RFP Coordinator at LSU Health-HCSD and then promptly confirm in writing that its Proposal is being withdrawn. The letter of withdrawal must be signed by the same individual signing the original Proposal transmittal letter.

6.5 Compliance with Proposal Requirements

It is the Proposer's sole responsibility to insure that its Proposal is in compliance with the formats and submission requirements. LSU Health-HCSD reserves the right to waive minor inconsistencies in form at its discretion. However, failure to submit required information shall result in elimination of a Proposal from consideration. Late submission of a Proposal will eliminate the Proposer from consideration.

6.6 Proprietary Information

All information contained in the Proposals shall be considered confidential during the Proposal evaluation period. The contents of all Proposals, accepted and rejected, are

public information after the announcement of the award of the contract. As such they are available for examination and reproduction by any other Proposer, outside third party, member of the media, or the general public. Proposer proprietary information, if specifically identified in the Proposal, will be handled in accordance with current laws, rules and regulations and within the provisions of the Louisiana Public Records Act (R.S. 44:1-44). In general this act makes no exclusionary exception to the definition of a "public record" for the contents of a Proposal in response to an RFP.

6.7 Ownership of Proposal Materials

The contents of all Proposals, withdrawn, accepted and rejected, become the property of LSU Health-HCSD. The concepts, ideas, and recommendations included therein may be used without restriction by LSU Health-HCSD. Rejected and withdrawn Proposals may be returned to the respective Proposer at Proposers request and expense.

6.8 Disposition of Proposals

Issuance of this RFP does not commit LSU Health-HCSD to progressing to contract. Any and all Proposals may be rejected. All Proposers submitting a Proposal will receive notification of LSU Health-HCSD's final decision. The successful Proposer is expected to contract on the basis of its Proposal and comply with the general terms and conditions listed in Attachment 3.

6.9 Use of Collaborators and Subcontractors

LSU Health-HCSD intends that the Contractor be accountable and responsible for the outcomes and deliverables referred to in this RFP. Contractor must agree to be responsible for the completion of work by subcontractors or collaborators, if applicable, to the same extent it is responsible for work performed by its own staff. LSU Health-HCSD will hold the Contractor accountable for any deficiencies in deliverables by subcontractors, or where applicable, collaborators. Indemnity agreements between the Contractor and any subcontractor, or collaborator, shall be permissible only to the extent that nothing contained within such indemnity agreements shall diminish or relieve the Contractor's liability to LSU Health-HCSD. All billings will be submitted by the Contractor only, including the work performed by subcontractors, and where applicable, collaborators. LSU Health-HCSD will make only a single remittance to the Contractor. Arrangements for subsequent payments to a subcontractor, or where applicable, collaborators, shall be the responsibility of the individual parties. LSU Health-HCSD will not be responsible for any violation of those arrangements between the parties.

6.10 Costs Incurred in Preparing Proposals

All personnel and related travel and out-of-pocket expenses associated with proposer's pre-proposal research, proposal compilation, production, and delivery shall be the responsibility of the proposer. LSU Health-HCSD will not reimburse any proposer for any proposer or subcontractor costs incurred as a result of preparing and submitting the proposal.

7. Scope of Work

The Contractor shall provide TPA services that typically would be provided to a health plan but with modifications appropriate to an offender population and a limited provider base. It is anticipated that there will be a single Contract Hospital in the system of offender care being established for the Baton Rouge region. That hospital will be responsible for arranging for hospital care by physicians and other providers, to be stipulated in the hospital contract, although many, or most, of these providers will bill the TPA directly.

Clinic services and non-ED related outpatient services by physicians and other providers will remain a direct LSU-Health HCSD responsibility and will fall outside the scope of this RFP for Third Party Administration services. TPA services will pertain only to those services associated with the Contract Hospital.

7.1 Claims Processing for Non-Medicaid Eligible Offenders

Claims for non-Medicaid covered inpatient hospital services will be paid on a DRG basis. All other non-Medicaid covered claims will be paid based upon fee schedules at a contracted percentage of the provider's Medicare fee schedule rate for the service. The Contractor shall:

- 7.1.1 Maintain accurate automated claims records and files that contain all pertinent claims, bills, correspondence and shall provide adequate security for patient information.
- 7.1.2 Review claims submitted by hospital, physicians and any other providers; procure immediately any missing information.
- 7.1.3 Process claims by utilizing the Current Procedural Terminology, "CPT," Healthcare Common Procedure Coding System, "HCPCS," American Society of Anesthesiologists, "ASA," International Classification of Diseases, Diagnosis Related Group, "DRG," American Dental Association, "ADA," user defined codes and all modifiers.
 - 7.1.3.1 Must have capacity to capture, track and report all processing codes.
 - 7.1.3.2 Must have capacity to capture, track and report CPT/HCPCS and Revenue codes billed on a UB04.
 - 7.1.3.3 Must have grouper software to group DRGs for inpatient care
- 7.1.4 Determine reasonableness of charges and monitor the quality, quantity and utilization of professional, medical and hospital care rendered under LSU Health-HCSD's hospital contract for prisoner care, referring medical claims for retrospective medical review when necessary.

- 7.1.5 Process all claims as determined by the provisions of the plan documents and plan administrative policies/guidelines, utilizing the rate and fee schedules agreed to in LSU Health-HCSD's hospital contract for prisoner care.
- 7.1.6 Prepare/issue checks and itemized Explanation of Benefits forms to the contracted hospital provider and associated physicians and other providers. EOBs shall also be provided to LSU Health-HCSD and the Sending Facility.
- 7.1.7 All payments to the TPA will be made by LSU Health-HCSD, and funds required by the TPA to pay claims under the contract will be drawn down by the TPA from LSU Health-HCSD accounts through procedures to be established. See Attachment 7 for a description of the procedures anticipated at this time. Final procedures, when developed, shall be followed by the Contractor.
- 7.1.8 Design, print, deliver, and periodically update all forms and form letters used in connection with claims processing at administrator's expense. LSU Health-HCSD shall reserve the right to approve and disapprove all forms and form letters.
- 7.1.9 Pend or deny claims not eligible for payment and issue related correspondence. Advise LSU Health-HCSD, DOC or other Sending Facilities, and the provider, of the specific reasons for such denial, and the procedure for a review of the denial.
- 7.1.10 Follow the records retention policy established by the contract with LSU Health-HCSD.
- 7.1.11 Quality Assurance

The TPA shall utilize a formal internal claim auditing process for ongoing verification of appropriateness of claims processing. The quality assurance program shall determine that its internal controls and its system's adjudication processes are sufficient to achieve reliable results. The TPA's quality assurance staff shall be independent of the utilization management, claims processing, and customer service functions.

7.2 Utilization Review Services

Offenders must be provided medically necessary care but there is no conventional schedule of benefits such as would exist for the insured members of a health plan. In general, "Benefit Provisions" of the offender care system established for the Baton Rouge region will consist of all medically necessary, non-elective, in-hospital services provided by the Contract Hospital and their associated physicians and other providers, and stipulated in the Contract Hospital's agreement with LSU Health-HCSD. Medically necessary hospital services to offenders not available in the Contract Hospital or beyond the scope of the Hospital contract will be arranged outside this system of care and thus will be beyond the scope of the Third Party Administration services sought through this RFP; for example, services provided in hospitals in the LSU Health system outside Baton Rouge or purchased directly by DOC from other community hospitals.

LSU Health-HCSD must administer a finite pool of funding for offender care. The TPA must be able and willing to adjust its Utilization Review systems and definitions in consultation with LSU Health-HCSD should the need arise and in order to manage care appropriately with the funding available.

7.2.1 Standards for Services. Covered services (and supplies) in the Contract Hospital shall be those determined by the TPA's Medical Director to be Medically Necessary and shall include services that are:

7.2.1.1 Required to diagnose or treat an illness, injury, disease or its symptoms in accordance with generally accepted standards of medical practice.

7.2.1.2 Clinically appropriate in terms of type, frequency, extent, site and duration.

7.2.1.3 Not primarily for the convenience of the patient, Sending Facility, physician or other health care provider.

7.2.1.4 Rendered in the least intensive setting that is appropriate to the delivery of the services and supplies.

7.2.2 The TPA, based on agreed upon standards pursuant to contract with LSU Health-HCSD, will provide hospital prospective, concurrent and retrospective review services; and discharge planning services appropriate to the patient population served and the payment methodology utilized.

7.2.3 Appropriate staff at DOC or other sending facilities must be directly involved throughout the discharge planning process.

7.3 Medicaid Reconciliation and Recoupment

Some services to some offenders are covered by Medicaid, and in those instances the Contract Hospital and its associated professional providers will be obligated to bill Medicaid directly. The TPA will have no responsibilities to process or pay such claims.

Medicaid will pay only for services associated with an inpatient stay. Currently, only a small percentage of prisoners are Medicaid eligible (71 of 572 admissions at EKL in FY11, with some deemed eligible retroactively).

In some cases when offender patients are not Medicaid eligible, they may be made so retroactively. The Contract hospital will be required to screen for potential eligibility and to facilitate an application for eligibility determination to DHH.

It is possible that the hospital and/or its professional providers will already have been paid by the TPA at the contracted DRG or fee schedule rate when Medicaid eligibility is established. Both the Hospital and associated professional providers shall be obligated to bill Medicaid for services based upon any such retroactive eligibility determination.

The Contract Hospital will be required to inform the TPA of (1) any application to Medicaid for eligibility on behalf of an offender patient; and (2) all positive eligibility determinations. Further, both the hospital and the professional providers must inform the TPA of the receipt of any payment from Medicaid for services associated with an inpatient stay for which Medicaid eligibility was determined retroactively.

7.3.1 The TPA will monitor information from the Contract Hospital and/or professional providers on Medicaid eligibility applications, any positive determinations of eligibility, and payments received subsequent to claims submission to Medicaid for inpatient-related services.

7.3.2 In the event that a Medicaid payment is received by the hospital or a professional provider, the TPA shall reduce subsequent payments to the Contract Hospital/professional providers by the amount of any previous payment by the TPA for the same services.

7.3.3 The TPA shall provide a monthly report to all providers and LSU Health-HCSD itemizing the amounts and calculations underlying any such reductions in payment.

7.4 Administrative and Other Services

7.4.1 Customer Service

7.4.1.1 The Contractor shall provide professional, courteous and timely responses to telephone, written, and in person inquiries and complaints from all parties with authorized access to information, as stipulated in the TPA's contract with LSU Health-HCSD. See also Section 6.1.2.3.1.

7.4.1.2 The TPA's office shall be staffed by customer service representatives, at a minimum, from 8:00 a. m. to 5:00 p.m. Central Time, Monday through Friday, except state holidays, for precertification and customer service.

7.4.1.3 The Contractor shall provide a toll-free telephone number for incoming customer service calls.

7.4.2 Plan Documents

The Contractor shall provide and maintain Claims Administration Policies and Procedures, Summary Plan Description, Plan Booklets and Benefit Provisions (or their equivalent). The Summary Plan Description, Plan Booklets and Benefit Provisions shall be functionally equivalent to those provided for any health plan but adapted to the unique requirements of an offender population that requires medically necessary services but is not conventionally insured.

7.4.3 Eligibility Determination

There will be no eligibility determination function as normally established for health plan members. All offender patients transported to the contract hospital by designated correctional facilities in the Baton Rouge region shall be presumed to be eligible for medically necessary care covered under the hospital contract. A procedure will be established through which a Sending Facility shall certify an offender as eligible for care. This certification shall be noted in claims and other TPA systems as appropriate.

7.4.4 Reporting

LSU Health-HCSD shall require reports from the TPA that are appropriate to a health plan and which may be required by LSU Health-HCSD auditors, legal counsel, consultants or others. The TPA shall assist with the preparation and filing of any reports required by law. Reports shall include but shall not be limited to the following:

7.4.4.1 Register/report of claim payments and other claims data for each payment cycle.

7.4.4.2 Monthly statistical report to include:

7.4.4.2.1 Number of claims by type of service (hospital, emergency, surgery, physician, pharmacy, and so forth).

7.4.4.2.2 Dollar amount claimed

7.4.4.2.3 Total allowable charges

7.4.4.2.4 Amount paid by type of service

7.4.4.2.5 Claims history shall include dates received, date pended, additional information requested, additional information received, date processed, date paid and/or date denied.

7.4.4.3 All reports must be provided on a monthly and year-to-date basis.

7.4.5 Payment

For offenders in the DOC facilities (capacity approximately 10,000), payment will be on a Per Offender Per Month basis. The Department of Corrections on a monthly basis will provide a facility census. The TPA will be paid monthly an amount equal to the contracted rate times the assigned census in the facilities. The DOC facilities generally are filled very close to capacity.

For offenders from parish and local correctional entities entitled to utilize the Contract hospital (capacity approximately 4,600), reimbursement will be on a

unit basis: per claim for Claims Processing and Payment and per admission for Utilization Review Services. The unit basis reimbursement will also apply to Office of Juvenile Justice facilities, the Feliciana Forensic Facility and any other facilities that may send offenders to the Contract Hospital.

7.4.6 Performance Standards

The Contractor shall adhere to the performance standards included in this RFP. These standards do not exceed industry norms and do not impact LSU Health-HCSD's obligations in providing access to care for offenders. Failure to meet the minimum performance standards shall constitute a breach of this contract and may result in termination.

Failure to meet the minimum performance standards shall result in an assessment of actual damages, provided actual damages can be calculated; otherwise, liquidated damages will be assessed in accordance with this agreement and for the sole purpose of compensating LSU Health-HCSD an amount of money sustained by the Contractor's breach of contract.

ATTACHMENT 1

Summary of Assumptions Regarding Operation of the Offender Care System

The following summarizes the anticipated structure and major processes of a redesigned offender care system in the Baton Rouge area.

1. LSU Health-HCSD

- a. Will provide outpatient services including:
 - i. Clinic physician and physician extender visits
 - ii. Outpatient lab and imaging services according to guidelines that may be revised from time to time
 - iii. LSU Health-HCSD also may operate clinics on-site at DOC facilities
- b. Will provide Telemedicine services, including services directed to avoidance of emergency room visits
- c. Will provide ambulatory surgery
- d. Will maintain automated patient medical information for offenders seen in any LSU Health-HCSD hospital or clinic, as well as hard copy medical records.
 - i. The Clinical Inquiry System (CLIQ) and newly developed automated Electronic Medical Record (EMR) systems will be made available to the Contract Hospital on the same basis as to other providers outside LSU Health-HCSD.
 - ii. The Contract Hospital should work with LSU Health-HCSD to provide electronic documentation of patient encounters that LSU Health-HCSD can integrate into its automated systems, to the extent feasible.
- e. Will provide through contract with a TPA and in cooperation with DOC/PLCE, Utilization Review services, including prospective, concurrent and retrospective review.
- f. Will, through a TPA, receive and process all claims for service to offenders while at the Contract Hospital, including the services of physicians and other non-hospital providers, and will authorize and make payment for those claims from funding appropriated for such purpose. All claims shall be reviewed for reasonableness and medical necessity before payment, and shall be subject to edits, audits, and adjustments.
- g. Will oversee Claims Payment and Utilization Review services and, in cooperation with DOC, work with the TPA to modify any processes should that become necessary.

2. Department of Corrections

- a. May utilize the Contract Hospital for non-emergency care provided that approval must be received through the LSU-HCSD TPA's prospective review process.
- b. Will operate its skilled nursing facility at the Elayn Hunt Correctional Center in St. Gabriel to handle low level acute and chronic care and some primary care services for state offenders in its custody, including those housed in parish jails.
- c. Will determine when and if a patient admitted to the Contract Hospital may be transferred to the Hunt skilled nursing facility, subject to applicable laws.
- d. Will provide all transportation required by offenders in its custody both to and from the contract hospital. When the Contract Hospital determines that an offender patient is ready to be discharged, the Department will arrange timely transportation so that additional hospital costs and charges are not incurred. The ability to provide timely transportation back to the Sending or other correctional facility depends upon active involvement of the Sending Facility in the discharge planning process.
- e. Will provide armed security personnel during inpatient stays and related care in the Contract Hospital that is appropriate to the setting in which the care is delivered.
- f. Will be responsible for the cost of transporting offenders in its custody between the Contract Hospital and any other inpatient facility in which care may be required.

3. LSU Health-HCSD, DOC and Local Entities Jointly

LSU Health-HCSD, DOC and local law enforcement agencies will work together to establish guidelines and processes intended to avoid unnecessary hospital inpatient admissions and emergency and clinic visits by offenders.

4. Parish and Local Correctional Facilities

- a. May utilize the Contract Hospital for non-emergency care provided that approval must be received through the LSU-HCSD TPA's prospective review process.
- b. May utilize the Contract Hospital for emergency care consistent with the needs of the patients and the guidelines established by LSU Health-HCSD and DOC involving avoidance of unnecessary visits.
- c. Will provide all transportation required by offenders in its custody both to and from the contract hospital. If, when the Contract Hospital determines that an offender patient is ready to be discharged, the Department will arrange timely transportation so that additional hospital costs and charges are not incurred. The ability to provide timely transportation back to the Sending or other correctional

facility depends upon active involvement of the Sending Facility in the discharge planning process.

- d. Will provide armed security personnel during inpatient stays and related care in the Contract Hospital that is appropriate to the setting in which the care is delivered.
- e. Will be responsible for the cost of transporting offenders in its custody between the Contract Hospital and any other inpatient facility in which care may be required.

5. Contract Hospital

- a. Will provide a secure Detention Ward in which most offenders will receive care. Sufficient space for security staff must be included.
 - i. The Detention Ward must be a wing or other portion of the hospital that precludes ingress by the general public and patients other than offender patients.
 - ii. The Department of Corrections must approve the layout and other specifications for the Detention Ward, and acceptability of the Detention Ward shall rest at the sole discretion of the Department based upon how well the Detention Ward can be secured for the safety of the public, offenders, hospital staff and assigned security staff of the Department or other law enforcement entities.
 - iii. Only offenders may receive care in such a Detention Ward.
- b. Shall provide appropriate space within the hospital emergency room to accommodate receipt and treatment of offenders who are physically restrained and accompanied by an armed Correctional Officer or other law enforcement personnel.
- c. Will assure that all hospital and medical services must be provided by licensed medical professionals and in accordance with terms of its contract with LSU Health-HCSD.
- d. Will make available, by contract or employment, all physician and other professional services required to care for offenders in the facility.
- e. Will accept emergency visits from any Sending Facility specified in its contract. If, for emergencies, facilities that house offenders utilize close-by emergency services in other hospitals, those services will **not** be covered by the hospital contract with LSU Health-HCSD.
- f. Will, upon approval through the LSU Health-HCSD TPA's Utilization Review process, admit all non-emergent offenders housed in Sending Facilities in the region to the hospital for care, provided that space is available and appropriate services can be provided.

- i. Offender patients except those in need of emergency care and treatment shall be directed to the Detention Ward where the admission procedure shall be conducted with no delay of service by representatives of the Contractor's Admitting Department.
- ii. All offender patients who require specialized care outside the Secure Detention Ward, e.g., in the ICU or for x-rays, laboratory tests, and so forth, shall be transported by to the appropriate department by a DOC Correctional Officer or other security personnel, and appropriate security shall be provided for the duration of the patient's stay in the department.
- iii. Nursing personnel who are permanently assigned to the Detention Ward must receive security clearance through a process approved by the Department of Corrections.
- iv. All nurses, physicians and other appropriate staff shall be trained by DOC relative to security requirements when working with offender patients.
- v. The Contract Hospital shall fully involve appropriate personnel from the Sending Facility in the Discharge Planning process for the offender.
- vi. The Contract Hospital's nursing personnel shall provide timely telephone notification of discharge to the Department of Corrections or other law enforcement entity at the facility where the offender patient is housed, and shall coordinate the release time with personnel of the sending facility.
 - 1. The telephone report shall summarize the level of care necessary following discharge and outline the discharge plan.
 - 2. The Contract Hospital's nursing personnel shall verify that the offender has at least a three day supply of medication(s), if needed, which comply with the sending facility's formulary. These medications should be sent to the institution receiving the offender after discharge.
 - 3. In the event a non-formulary alternative medication is required, nursing personnel should verify that a five day supply will be sent to the institution receiving the offender after discharge.
- g. Will electronically submit UB-04 and CMS 1500 claims for non-Medicaid eligible offenders to LSU Health-HCSD's contracted TPA for all hospital and professional services associated with care of offenders.
- h. Will work with LSU Health-HCSD, DOC and other Sending Facilities to submit appropriate documentation, preferably in electronic form, of all offender encounters for use in medical records, including automated systems.
- i. Will provide quality and utilization management for inpatient offenders, including a Quality Assurance/Improvement Plan and a Utilization *Management (UM) plan*.

Contractor UM staff will act as liaisons with the Department of Corrections' designated UM staff, including staff working for DOC under contract.

6. Third Party Administrator

a. Claims Processing and Payment

- i. Will receive invoices from the Contract Hospital and from physicians and other providers that are part of the network established through the LSU Health-HCSD agreement with the Contract Hospital.
- ii. Will review and re-price claims according to the terms of the hospital's contract with LSU Health-HCSD.
 1. The Contract Hospital shall be paid for inpatient services based upon a DRG methodology, including provision for outliers.
 2. All other services shall be reimbursed based upon a fee schedule established through the LSU-HCSD contract with the hospital.
 3. Will pay claims utilizing funds drawn down from LSU-HCSD accounts by procedures to be established.

b. Utilization Review

Will provide Prospective, Concurrent and Retrospective Review services according to the terms of its contract with LSU Health-HCSD.

ATTACHMENT 2

General Contract Terms and Conditions

- 1) The contract(s) will be governed by the laws of the State of Louisiana, specifically including all rules and regulations applicable to the procurement of public contracts.
- 2) The contractor confirms that the provisions of the contract are equally binding on any named collaborators or subcontractors, and contractor accepts responsibility for their performance to the same extent that it accepts responsibility for the performance of its own employees.
- 3) The contract(s) can be cancelled by LSU Health-HCSD due to loss of funding, or contractor's failure to perform. The contract(s) can be cancelled by the contractor due to LSU Health-HCSD's failure to perform.
- 4) Neither LSU Health-HCSD nor the contractor shall be bound to perform for any period during which performance is prevented by war, strike, civil disturbance, epidemic, court order or act of God.
- 5) LSU Health-HCSD has the right to cancel the contract(s) for any reason upon 30 days prior written notification.
- 6) Contractor grants to LSU Health-HCSD, the Division of Administration and/or the Legislative Auditor the right to audit all contractor records pertaining to the contract(s) for a period beginning with the effective starting date of the contract(s) and ending 4 years after the effective termination date of the contract(s). If applicable, the right to audit extends to all subcontractors utilized by contractor.
- 7) No interest in any contract(s) can be assigned or transferred by the contractor without the prior written approval of LSU Health-HCSD.
- 8) Neither the contractor's Project manager nor any key Project personnel can be replaced without LSU Health-HCSD's written approval, which shall not be unreasonably withheld.
- 9) Contractor is responsible for paying all taxes that may be due as a result of the contract.
- 10) Contractor agrees that no funds earned under this contract(s) shall be used to influence, in the State of Louisiana, the election or defeat of any candidate, or the passage or defeat of any election ballot proposition, or to lobby for or against any issue before the State Legislature.
- 11) All documentation records of the Project, including reports, worksheets, memoranda, and analyses, are the property of LSU Health-HCSD and shall be delivered to LSU Health-HCSD, at LSU Health-HCSD's sole discretion, at the completion of the Project, on demand by LSU Health-HCSD, or at the termination of the contract(s).
- 12) The contractor will indemnify, defend, and hold harmless, including attorneys fees and costs, LSU Health-HCSD, the State of Louisiana, and their officers, directors, agents,

contractors, and employees against claims, losses, liability or expenditure for injuries and/or damages arising from the performance under this contract(s) of contractor, contractor's employees, and subcontractors and their employees.

- 13) The contractor warrants all materials and/or products produced under this contract(s) will not infringe any patent, copyright or other proprietary right of any other third party. The contractor will defend and indemnify LSU Health-HCSD and the State, at contractor's expense, against any judgment, claim, or expense arising from such infringement or claim of infringement.
- 14) Contractor agrees to abide by the requirements of Title VI and VII of the Civil Rights Act of 1964, as amended, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, the Americans with Disabilities Act of 1990, section 306 of the Clean Air Act, Energy Policy and Conservation Act, and otherwise will not discriminate against their employees in hiring, promotion or termination on the basis of race, color, religion, gender, sexual orientation, disability, national origin or any other non-merit factor.
- 15) If applicable, the contractor agrees to enter into the HIPAA Business Associate Addendum (Attachment 9) to the contract.
- 16) Contractor acknowledges that it is not a party to or a third party beneficiary of any contracts or agreements entered into by LSU Health-HCSD with any party other than Contractor, including, without limitation, any contracts entered into as a result of the Request for Proposal to which Contractor responded and the Memorandum of Understanding between LSU Health-HCSD, Office of Group Benefits and the Division of Administration.

ATTACHMENT 3

Capacity and Assigned Offenders at Facilities in the Baton Rouge Region

State facilities include only state prisoners. Parish facilities may include both parish prisoners and state prisoners housed in parish jails. For purpose of compensating the TPA, there shall be no distinction between these two categories.

DOC and Parish Prisoners in State and Parish Facilities in the Baton Rouge Region		
<i>State Facilities</i>	Capacity	Assigned
Dixon Correctional (Jackson)	1,600	1,570
Louisiana State Penitentiary (Angola)	5,261	5,265
Hunt Correctional (St. Gabriel)	2,125	2,170
Louisiana Correctional Institute for Women (St. Gabriel)	1,098	1,071
State Subtotal	10,084	10,076
<i>Parish Facilities</i>	Capacity	Assigned: State + Parish Prisoners
Ascension	565	457
East Baton Rouge	1,856	1,785
East Feliciana	242	218
Iberville	111	85
Pointe Coupee	241	167
West Baton Rouge	595	464
West Feliciana	315	232
Livingston	713	576
Parish Subtotal	4,638	3,984
State and Parish Total	14,722	14,060

ATTACHMENT 4

EKL Inpatient Prisoner Detail by DRG Service Line in 2009

	<i>Days</i>	<i>ADC</i>	Cumulative %
General Surgery	390	1.07	14%
Pulmonary	244	0.67	23%
Cardiology - Medical	242	0.66	32%
General Medicine	202	0.55	40%
Gastroenterology	192	0.53	47%
HIV	169	0.46	53%
Nephrology	163	0.45	59%
Vascular Surgery	161	0.44	65%
Orthopedics	138	0.38	70%
Obstetrics	100	0.27	74%
Thoracic Surgery	89	0.24	77%
Oncology	82	0.22	80%
Psychiatry	76	0.21	83%
Neurology	73	0.20	86%
Endocrine	72	0.20	89%
Otolaryngology	66	0.18	91%
Gynecology	65	0.18	93%
Urology	48	0.13	95%
Hematology	44	0.12	97%
Trauma	3	0.08	98%
Injury	21	0.06	99%
Rheumatology	21	0.06	100%
Ophthalmology	11	0.03	100%
Dental	2	0.01	100%
TOTAL	2,674	7.40	

Summary – Sort by ADC, FY 09

ATTACHMENT 5
Business Associate Contract Addendum

On this ___ day of _____, **2011**, the undersigned, **LSU Health System** and its covered affiliates including the _____ and the _____ (referred herein as Covered Entity, or Covered Entity and its covered affiliates) and _____ ("Business Associate") have entered into this "Business Associate Contract Addendum" ("Addendum") for the purposes herein set forth.

1. Business Associate Relationship

(a) Covered Entity and its covered affiliates and Business Associate are parties to that certain contract, denominated _____, dated _____, **2011** ("the Agreement"), and pursuant to which Business Associate is performing functions or tasks on behalf of Covered Entity and its covered affiliates.

(b) Covered Entity and its covered affiliates are bound by the regulations implementing the Health Insurance Portability and Accountability Act of 1996, P. L. 104-191 ("HIPAA"), 45 C.F.R. Parts 160 and 164 ("the Privacy Rule"). The intent and purpose of this Addendum is to comply with the requirements of the Privacy Rule, including, but not limited to, the Business Associate contract requirements at 45 C.F.R. §§ 164.502(e) and 164.504(e).

(c) In the performance of this Agreement, Business Associate is performing functions on behalf of Covered Entity and its covered affiliates which meet the definition of "Business Associate Activities" in 45 C.F.R. § 160.103, and therefore Business Associate is a "Business Associate" of Covered Entity and its covered affiliates.

(d) In order for Business Associate to perform its obligations under the Agreement, Covered Entity and its covered affiliates must disclose to Business Associate certain Protected Health Information (as defined in 45 C.F. R. §164.501) that is subject to protection under HIPAA and the Privacy Rule.

NOW, THEREFORE in consideration of the mutual promises and covenants contained herein, and in furtherance of the mutual intent of the parties to comply with the requirements of the Privacy Rule, the parties agree as follows:

2. Definitions

(a) Protected Health Information. "Protected Health Information" shall have the meaning found in 45 C.F.R. ' 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. "Protected Health Information" may also be referred to as "PHI".

(b) Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

Terms used in this Addendum, but not otherwise defined herein, shall have the same meaning as in the Privacy Rule.

3. Obligations and Activities of Business Associate

(a) Business Associate agrees not to use or disclose PHI other than as stated in this Agreement this Addendum or as Required By Law.

(b) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for in this Addendum. Business Associate acknowledges receipt of a copy of Covered Entity's policies and procedures for safeguarding PHI, and agrees to implement substantially identical safeguards for PHI in its possession.

(c) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Addendum.

(d) Business Associate agrees to report promptly to Covered Entity and/or its covered affiliates any use or disclosure of the PHI not provided for by this Addendum of which it becomes aware.

(e) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity or its covered affiliates, agrees to the same restrictions and conditions that apply through this Addendum to Business Associate with respect to such information.

(f) Business Associate agrees to provide access, at the request of Covered Entity, and in a prompt and timely manner, to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements of 45 C.F.R. § 164.524.

(g) Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 at the request of Covered Entity or an Individual.

(h) Business Associate agrees to make its internal practices, books, and records, including policies and procedures relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, in a prompt and timely manner or as designated by the Secretary, for purposes of determining Covered Entity's compliance with the Privacy Rule.

(i) Business Associate agrees to document such disclosures of PHI as would be required for Covered Entity to respond timely to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

(j) Business Associate agrees that, in requesting PHI from Covered Entity or its covered affiliates, and in using or disclosing PHI to others, only the Minimum Necessary information shall be requested, used or disclosed.

4. HIPAA Security Requirements Effective April 20, 2005

Business Associate agrees to:

- (1) implement and document, as set forth in 45 C.F.R. § 164.316, Administrative Safeguards, Physical Safeguards and Technical

Safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the covered entity, as required by 45 C.F.R. Part 164, Subpart C, and specifically, but not exclusively, including the following:

- (a) Ensure the confidentiality, integrity, and availability of all electronic protected health information the Business Associate creates, receives, maintains, or transmits on behalf of LSU;

- (b) Protect against any reasonably anticipated threats or hazards to the security or integrity of such information;

- (c) Protect against any reasonably anticipated uses or disclosures of such information that are not permitted or required under the HIPAA Privacy Regulations;

- (d) Ensure compliance with this Section by its workforce;

- (2) ensure that any agent, including a subcontractor, to whom it provides this information agrees to implement and document reasonable and appropriate Administrative Safeguards, Physical Safeguards and Technical Safeguards, including at least the requirements set forth in this Section for Business Associate;

- (3) report to LSU any Security Incident of which it becomes aware;

- (4) make its policies and procedures, and documentation required by this Section relating to such safeguards, available to the Secretary and to LSU for purposes of determining the Business Associate's compliance with this Section; and

- (5) authorize termination of the contract or other relationship by LSU if LSU determines that the Business Associate has violated a material term of the contract or this Business Associate Addendum.

For the purposes of this Section, the following terms have the meaning assigned to them below:

Administrative Safeguards means administrative actions, and policies and procedures, to manage the selection, development, implementation, and maintenance of security measures to protect electronic protected health information and to manage the conduct of the Business Associate's workforce in relation to the protection of that information, as more particularly set forth in 45 C.F.R. § 164.308.

Physical Safeguards means physical measures, policies, and procedures to protect Business Associate's electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion, as more particularly set forth in 45 C.F.R. § 164.310.

Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

Technical Safeguards means the technology and the policy and procedures for its use that protect electronic protected health information and control access to it, as more particularly set forth in 45 C.F.R. § 164.312.

Terms used in this Section but not defined herein shall have the meaning assigned to such terms by 45 C.F.R. Part 164, Subpart C, specifically including, but without limitation, 45 C.F.R. § 164.304.

5. Permitted Uses and Disclosures by Business Associate

(a) Except as otherwise prohibited by law or limited in this Addendum, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity or its covered affiliates as specified in this Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity or the Privacy Rule, including, but not limited to the following:

(1) Use or disclose PHI for proper management and administration or to carry out the legal responsibilities of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached. Entities to which Business Associate discloses PHI for the purpose of management and administration of the Business Associate shall be deemed "agents" or "subcontractors" of Business Associate, within the meaning of Section 3(e) of this Addendum.

(2) Use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e) (2) (i) (B).

6. Obligations of Covered Entity

(a) Covered Entity shall notify Business Associate of any limitation(s) in its Notice of Privacy Practices in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. Business Associate acknowledges that it has received a copy of Covered Entity's Notice of Privacy Practices, and agrees to comply with all limitations on use and disclosure of PHI contained therein.

(b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(c) Covered Entity shall notify Business Associate of any changes in Covered Entity's Notice of Privacy Practices.

7. Term and Termination of Agreement

(a) Term. The Term of this Addendum shall be effective as of the date of execution by the last party executing same, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.

(b) Termination for Cause. In addition to any other provisions of this Agreement, upon Covered Entity's or its covered affiliate's knowledge of a material breach by Business Associate of the terms of this Addendum, Covered Entity shall either:

(1) Provide an opportunity for Business Associate to cure the breach. Covered Entity may terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(2) Immediately terminate this Agreement if Business Associate has breached a material term of this Addendum and cure is not possible; or

(3) If neither termination nor cure is feasible in the sole discretion of Covered Entity, Covered Entity shall report the violation to the Secretary.

(c) Effect of Termination.

(1) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity or its covered affiliates, or created or received by Business Associate on behalf of Covered Entity or its covered affiliates. Business Associate shall not retain copies of any PHI. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Business Associate.

(2) In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall notify Covered Entity of this determination and its reasons. If Covered Entity agrees that return or destruction of PHI is not feasible, Business Associate shall extend the protections of this Addendum to such PHI and limit further uses and disclosures, for so long as Business Associate maintains such PHI. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Business Associate.

8. Miscellaneous

(a) Regulatory References. Any reference in this Addendum to a section in the Privacy Rule means the section as in effect or as amended.

(b) Formal Amendment and Deemed Amendment. The Parties agree to take such action as is necessary to formally amend this Addendum from time to time as is necessary for Covered Entity and its covered affiliates to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191. Regardless of the

execution of a formal amendment of this Addendum, the Addendum shall be deemed amended to permit the Covered Entity to comply with HIPAA and the Privacy Rule, as the same may be hereafter amended or interpreted.

(c) Survival. The respective rights and obligations of Business Associate under Section 6 (c) of this Addendum entitled "Effect of Termination" shall survive the termination of this Addendum and/or the Agreement.

(d) Interpretation. Any ambiguity in this Addendum shall be resolved to permit Covered Entity to comply with the Privacy Rule.

(e) Material Breach of Addendum as Breach of Agreement. Any material breach of this Addendum by Business Associate shall constitute a material breach of the Agreement, and shall entitle Covered Entity to any of the remedies provided in the Agreement, in addition to the remedies provided herein.

(f) Provisions of Addendum to Control. As to the subject matter contained in the provision of paragraphs one (1) through six (6) of this addendum, in the event of any conflict between the provisions of this Addendum and any of the other provisions of the Agreement, including any renewal, extension or modification thereof, the provisions of this Addendum shall control.

(g) Ownership of PHI. The PHI to which Business Associate, or any agent or subcontractor of Business Associate has access under the Agreement shall be and remain the property of Covered Entity.

(h) Indemnification and Contribution. Each party to this Addendum shall indemnify and hold the other harmless from any and all claims, liability, damages, costs and expenses, including attorney's fees and costs of defense and attorney's fees, resulting from the action or omission of the other party. In the event that any liability, damages, costs and expenses arise as a result of the actions or omissions of both parties, each party shall bear such proportion of such liability, damages, costs and expenses as are attributable to the acts or omissions of such party.

(i) Injunctive Relief. Notwithstanding any rights or remedies provided for in this Agreement, Covered Entity retains all rights to seek injunctive relief to prevent or stop the inappropriate use or disclosure of PHI directly or indirectly by Business Associate, or any agent or subcontractor of Business Associate.

(j) Attorney's Fees. If any legal action or other proceeding is brought for the enforcement of this Addendum or in connection with any of its provisions, the prevailing party shall be entitled to an award for the attorney's fees and costs incurred therein in addition to any other right of recovery.

(k) Severability. If any clause or provision of this Addendum is held to be illegal, invalid or unenforceable under any present or future law, the remainder of this Addendum will not be affected thereby. It is the intention of the parties that, if any such provision is held to be illegal, invalid or unenforceable, there will be substituted in lieu thereof a provision as similar in terms to such provision as is possible which is legal, valid and enforceable.

(l) Waiver of Provisions. Failure by either party at any time to enforce or require the strict performance of any of the terms and conditions of this Agreement shall not constitute a waiver of such terms or conditions or modify such provision or in any manner render it unenforceable as to any other time or as to any other occurrence. Any specific waiver by either party of any

of the terms and conditions of this Agreement shall be considered a one-time event and shall not constitute a continuing waiver. Neither a waiver nor any failure to enforce shall in any way affect or impair the terms or conditions of this Agreement or the right of either party to avail itself of its remedies.

(m) Choice of Law. To the extent not preempted by HIPAA or the Privacy Rule, the Laws of the State of Louisiana shall govern this Addendum.

(n) Notices. Any notice, demand or communication required or permitted to be given by any provision of this Addendum shall be in writing and will be deemed to have been given when actually delivered (by whatever means) to the party designated to receive such notice, or on the next business day following the day sent by overnight courier, or on the third (3rd) business day after the same is sent by certified United States mail, postage and charges prepaid, directed to the addresses noted below, or to such other or additional address as any party might designate by written notice to the other party, whichever is earlier.

Notices required by this Addendum shall be sent as follows:

Covered Entity:

Business Associate:

Dr. Fred Cerise, Vice President for Health Affairs
Louisiana State University System
3810 West Lakeshore Drive
LSU Health System
Baton Rouge, LA 70808
Copy to Covered Affiliates:

Copy to:

[Name]
[Institution]
[Address]
[City, State Zip Code]

THUS DONE AND SIGNED on the date first written above:
[Name of Covered Entity]:

By:

Title:

[Name of Business Associate]:

By:

Title:

ATTACHMENT 6
Claims Submission Requirements Specified in the RFP “Inpatient Hospital and Related Services to State and Parish Offenders”

Following is the section from RFP for hospital services that specifies the anticipated requirements and processes for submitting claims to the TPA.

7.4.6 Invoicing

7.4.6.1 Third Party Administrator. LSU Health-HCSD intends to contract separately with a company to act as a TPA, including electronic claims processing, medical review, and/or other administrative services. The Contractor will be required to submit claims to the TPA for processing, as described in the following sections.

7.4.6.2 Claim Form Requirements

7.4.6.2.1 Inpatient Claims. The Contractor shall be required to submit complete and accurate HIPAA-compliant 837 electronic UB-04 (or hardcopy UB-04) claims for inpatient services rendered. Electronic submission of the 837 shall be required, unless otherwise approved by the Department.

7.4.6.2.2 Emergency Room, Trauma Care, Outpatient, and Physician Claims. The Contractor shall be required to submit complete and accurate HIPAA-compliant 837 electronic UB-04 or CMS 1500 claims (or hardcopies) as appropriate for these services. Electronic submission of the 837 is required, unless otherwise approved by the Department.

7.4.6.3 Claims Submission Guidelines. Generally, claims for services rendered to DOC/PLCE offenders must comply with submission guidelines specified by LSU Health-HCSD for TPA processing. These guidelines have not yet been developed and will be made available at a later date.

7.4.6.4 Claims Submission Timelines. Electronic or hardcopy claims shall be submitted as services are incurred (e.g., upon discharge for inpatients or daily for non-inpatient services, as applicable), or not later than the tenth (10th) workday of each month for services rendered the previous month. Submission of claims as services are incurred is preferred.

- 7.4.6.5 Invoicing for Subcontracted Services. If subcontractors are used, all services of subcontractors shall be invoiced and transmitted for payment by the Contractor, according to the claims submission methods described earlier in this Section. The Contractor shall be responsible for paying subcontractors for services rendered.
- 7.4.6.6 All claims will be reviewed by the LSU Health-HCSD's TPA for reasonableness and medical necessity before payment. All claims shall be subject to edits, audits, adjustments and payment practices and policies applied by TPA under the direction and approval of the LSU Health-HCSD.

ATTACHMENT 7

Protocols for Funding Flow Between the Claims Administrator and LSU Health-HCSD

1. The LSU Health System will established and maintain a "Funding Account." On at least a weekly basis, the TPA's Claims Administrator will electronically submit to LSU Health-HCSD a batch of claims ready for payment. Subsequently, the Claim Administrator will issue checks drawn on the Funding Account in the amount of total claims payable and notify LSU Health-HCSD of the amount via a Call For Funds ("CFF"). Within 24 hours of notification, the LSU System will transfer funds to the Funding Account in the amount of the total claims. Claims will be paid from the Funding Account as presented. This shall be collectively referred to as the CFF Protocol.
2. The Claim Administrator will promptly pay LSU Health-HCSD as an agent of the Plan the net amount of all coordination of benefit recoveries, duplicate payment recoveries, overpayments, subrogation and similar recoveries received by the Claim Administrator for the benefit of the LSU Health System. Payment shall be made through a deposit in the Claim Administrator Clearing Account to be applied immediately to reduce claims payable by the LSU Health System.
3. The Claim Administrator will keep records in the form required by law of all withdrawals from the Funding Account on behalf of LSU Health-HCSD and will furnish monthly records of such amounts to the LSU Health System. The Claim Administrator shall perform check reconciliation. Electronic payment from the Claim Administrator Clearing Account is contemplated by the parties and may be implemented during the term of this Agreement. If electronic payment is implemented, the Contractor shall participate.
4. All funds in the accounts managed by the Claim Administrator belonging to the LSU Health System must be fully collateralized, in accordance with Louisiana law. To the extent Federal Deposit Insurance Corporation protection is unavailable to protect those funds, the Claim Administrator will coordinate the establishment of these accounts with the Plan Administrator at LSU Health-HCSD.
5. All funds in the Funding Account must be separate from any funds of the Claim Administrator or its other clients.

ATTACHMENT 8

Minimum Insurance and Indemnification Requirements

Insurance Requirements

The Contractor shall purchase and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

1. MINIMUM SCOPE AND LIMITS OF INSURANCE

1.1 Workers Compensation

Workers Compensation Insurance shall be in compliance with the Workers Compensation law of the State of the Contractor's headquarters. Employer's liability is included with a minimum limit of \$500,000 per accident/per disease/per employee. If work is to be performed over water and involves maritime exposure, applicable LHWCA, Jones Act, or other maritime law coverage shall be included and the Employers Liability limit increased to a minimum of \$1,000,000. A. M. Best's insurance company rating requirement may be waived for worker's compensation coverage only.

1.2 Commercial General Liability

Commercial General Liability Insurance, including Personal and Advertising Injury Liability, shall have a minimum limit per occurrence of \$1,000,000 and a minimum general aggregate of \$2,000,000. The Insurance Services Office (ISO) Commercial General Liability occurrence coverage form CG 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. Claims-made form is unacceptable.

1.3 Automobile Liability

Automobile Liability Insurance shall have a minimum combined single limit per occurrence of \$1,000,000. ISP form number 00 01 (current form approved for use in Louisiana), or equivalent, is to be used in the policy. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles.

2. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and accepted by LSU-HCSD. The Contractor shall be responsible for all deductibles and self-insured retentions.

3. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

3.1 General Liability and Automobile Liability Coverages

- 3.1.1 LSU Health-HCSD, its officers, agents, employees and volunteers shall be named as an additional insured as regards negligence by the contractor. ISO Form CG 20 10 (current form approved for use in Louisiana), or equivalent, is to be used when applicable. The coverage shall contain no special limitations on the scope of protection afforded to LSU Health-HCSD.
- 3.1.2 The Contractor's insurance shall be primary as respects LSU Health-HCSD, its officers, agents, employees and volunteers. Any insurance or self-insurance maintained by LSU Health-HCSD shall be excess and non-contributory of the Contractor's insurance.
- 3.1.3 Any failure of the contractor to comply with reporting provisions of the policy shall not affect coverage provided to LSU Health-HCSD, its officers, agents, employees and volunteers.
- 3.1.4 The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the policy limits.

3.2 Workers Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against LSU Health-HCSD, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for LSU Health-HCSD.

3.3 Professional Liability

- 3.3.1 Professional Liability with minimum limits of \$5,000,000 Each Claim and an unimpaired aggregate limit of \$10,000,000 Each Claim with respect to this Contract. Retroactive Liability Date (if applicable to Claims-Made coverage) shall be the same as the effective date of this Contract. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this Contract.
- 3.3.2 The State of Louisiana, the Department of Corrections and LSU Health-HCSD shall be named as an Additional Insured as their interests may appear
- 3.3.3 The policy shall contain an Extended Claim Reporting Provision of not less than one (1) year following termination of the policy
- 3.3.4 The State of Louisiana, the Department of Corrections and LSU Health-HCSD shall be named as an Additional Insured as their interests may apply.
- 3.3.5 Within this requirement, medical services shall be insured with sublimits as follows:

- 3.3.5.1 Hospital Professional Liability (Administration and Management) \$2,000,000 Each claim, \$4,000,000 Aggregate.
- 3.3.5.2 Medical Malpractice Liability (Individual Medical Practitioners) (Employees of primary contractor, and/or subcontractors and/or sole proprietors) \$1,000,000 Each Claim,\$3,000,000 Aggregate.
- 3.3.5.3 The policy shall contain an Extended Claim Reporting Provision of not less than three years following termination of the policy.

3.4 All Coverages

- 3.4.1 Coverage shall not be cancelled, suspended, or voided by either party (the Contractor or the insurer) or reduced in coverage or in limits except after 30 days written notice has been given to LSU Health-HCSD. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy.
- 3.4.2 Neither the acceptance of the completed work nor the payment thereof shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.
- 3.4.3 The insurance companies issuing the policies shall have no recourse against LSU-HCSD for payment of premiums or for assessments under any form of the policies.
- 3.4.4 Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to LSU Health-HCSD, its officers, agents, employees and volunteers.

4. ACCEPTABILITY OF INSURERS

- 4.1 All required insurance shall be provided by a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located. Insurance shall be placed with insurers with a A.M. Best's rating of **A-:VI or higher**. This rating requirement may be waived for workers compensation coverage only.
- 4.2 If at any time an insurer issuing any such policy does not meet the minimum A.M. Best rating, the Contractor shall obtain a policy with an insurer that meets the A.M. Best rating and shall submit another Certificate of Insurance as required in the contract.

5. VERIFICATION OF COVERAGE

- 5.1 Contractor shall furnish LSU Health-HCSD with Certificates of insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The Certificates are to be received and approved by LSU Health-HCSD before work commences and upon any contract renewal thereafter.

- 5.2 In addition to the Certificates, Contractor shall submit the declarations page and the cancellation provision endorsement for each insurance policy. LSU Health-HCSD reserves the right to request complete certified copies of all required insurance policies at any time.
- 5.3 Upon failure of the Contractor to furnish, deliver and maintain such insurance as above provided, this contract, at the election of LSU Health-HCSD, may be suspended, discontinued or terminated. Failure of the Contractor to purchase and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the contract.

6. SUBCONTRACTORS

Contractor shall include all subcontractors as insureds under its policies OR shall be responsible for verifying and maintaining the Certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. LSU Health-HCSD reserves the right to request copies of subcontractors' Certificates at any time.

7. WORKERS COMPENSATION INDEMNITY

In the event Contractor is not required to provide or elects not to provide workers compensation coverage, the parties hereby agree that Contractor, its owners, agents and employees will have no cause of action against, and will not assert a claim against, the State of Louisiana, its departments, agencies, agents and employees as an employer, whether pursuant to the Louisiana Workers Compensation Act or otherwise, under any circumstance. The parties also hereby agree that the State of Louisiana, its departments, agencies, agents, and employees shall in no circumstance be, or considered as, the employer or statutory employer of Contractor, its owners, agents and employees. The parties further agree that Contractor is a wholly independent contractor and is exclusively responsible for its employees, owners, and agents. Contractor hereby agrees to protect, defend, indemnify and hold the State of Louisiana, its departments, agencies, agents and employees harmless from any such assertion or claim that may arise from the performance of this contract.

Indemnification and limitation of Liability

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under this Agreement.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors in the performance of this contract, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

Contractor will indemnify, defend and hold the State harmless, **without limitation**, from and against any and all damages, expenses (including reasonable attorneys' fees), claims judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products, Materials, or Services furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) State's unauthorized modification or alteration of a Product, Material, or Service; ii) State's use of the Product, Material, or Service in combination with other products, materials, or services not furnished by Contractor; iii) State's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the state's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part(s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the amount of any damage or expense suffered or incurred by the State, up to the dollar amount of the contract.

For all other claims against the Contractor where liability is not otherwise set forth in the contract as being "without limitation", and regardless of the basis on which the claim is made, contractor's liability **for direct damages, shall be the greater of \$100,000, or the dollar amount of the Contract, or two (2) times the charges for products, materials, or services rendered by the Contractor under the Contract.** Unless otherwise specifically enumerated herein mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

ATTACHMENT 9

Format For Price Proposal

For Sending Facilities for which payment will be on a Per Offender Per Month Basis:

Claims Processing and Payment, including Medicaid
Reconciliation/Recoupment and Related Administrative Services \$ _____

Utilization Review \$ _____

For Sending Facilities for which payment will be on a Unit Cost basis*:

Claims Processing, Payment and Associated Administrative
Services Per Claim \$ _____

Payment Recovery of claims as result of Medicaid Reconciliation
and Recoupment and any other Third Party Recovery Process
Per Claim \$ _____

Weighted Average, where Claims processing is weighted 90%
and Reconciliation and Recoupment is weighted 10%. The
weighted average will be used in scoring the proposed rate. \$ _____

Utilization Review Per Admit \$ _____

*The proposer shall assume that price is for the life of the claim. With one hospital provider and a single payer, payment within a 12 month period is expected

Scoring of Price Proposal

40 points of 100 points will be allocated to price in evaluating RFP responses. These 40 points will be further divided as follows:

	POPM	Unit Cost	Total
Claims and Related Services	15	10	25
Utilization Review	10	5	15
Total	25	15	40

Each of the four cells -- POPM and Unit Cost for Claims Processing and Utilization Review respectively -- will be scored independently, according to the following formula:

Points Awarded = (Lowest Proposed Bid / Proposers bid) * Maximum possible points.